United Nations A/C.5/53/SR.41

General Assembly
Fifty-third session

Official Records

Distr.: General
16 December 1998

Original: English

Fifth Committee

Summary record of the 41st meeting
Held at Headquarters, New York, on Tuesday, 8 December 1998, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
later: Mr. Ahounou (Vice-Chairman) ..... (Côte d'Ivoire)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 121: United Nations pension system (*continued*)

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

First performance report (continued)

Integrated Management Information System project (continued)

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

98-83720 (E)

The meeting was called to order at 10 a.m.

Agenda item 121: United Nations pension system (*continued*) (A/C.5/53/3 and A/C.5/53/L.15)

Draft resolution A/C.5/53/L.15

1. **Mr. Ahounou** (Côte d'Ivoire), introducing draft resolution A/C.5/53/L.15, said that it reflected careful consideration of the recommendations in the reports of the United Nations Joint Staff Pension Board (A/53/9 and Add.1) and of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/53/511 and A/53/696).

2. **The Chairman** drew attention to the revised cost-sharing arrangements between the United Nations and the Fund proposed in the report of the United Nations Joint Staff Pension Board (A/53/9, paras. 154–166) and approved in the draft resolution (sect. V, para. 2), which would result in the reductions set out in document A/C.5/53/3 (para. 15) regarding the administrative and financial implications arising from the report of the Board.

3. *Draft resolution A/C.5/53/L.15 was adopted.*

4. **Mr. Orr** (Canada), referring to section VII, paragraph 4, of the draft resolution, said that, in principle, Canada was opposed to allowing staff members to draw a pension and a salary simultaneously from the same employer. Its own Federal legislation prohibited the practice, which also violated an understanding negotiated in the World Trade Organization. In the interests of transparency and equity throughout the system, his Government expected the Board to address the matter and eliminate the practice in future.

5. **The Chairman** suggested that the Committee should decide to recommend to the General Assembly that, should it approve draft resolution A/C.5/53/L.15, the programme budget for the biennium 1998–1999, as indicated in paragraph 15 of the report of the Secretary-General (A/C.5/53/3), would be reduced by $625,400.

6. *It was so decided.*

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

First performance report (continued)
(A/53/7/Add.8 and A/53/693)

7. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, expressed concern at the high vacancy rate which had been maintained in 1998 and recalled the General Assembly's position that a high vacancy rate hampered the delivery of mandated programmes and activities while making the budget process less transparent and the management of staff resources more difficult. The vacancy rate should not be used to achieve budgetary savings. The Group therefore requested the Secretariat to provide, in writing, detailed justification for the maintenance of the high vacancy rate and a detailed breakdown of the vacancies maintained in all budget sections in 1998. It also wished to be apprised of the impact of the high level of vacancies on the implementation of mandated programmes and activities in 1998.

8. The Group was of the view that the $25.9 million in reduced requirements generated by the high vacancy rate should not be used to reduce the level of the budget. Moreover, the additional requirements estimated at approximately $47 million, which had not been factored into the performance report, should be additional to the level of resources contained in the first performance report and should be dealt with separately by the General Assembly in accordance with the provisions of resolution 41/213.

9. The Group of 77 and China would also welcome detailed information in writing on the allocation of resources to various offices under section 1B.4 of the report of the Secretary-General on United Nations reform (A/52/303), together with information on any guidelines that might exist for the utilization of resources in that section. In particular, the Group wished to be informed about the level of support to be provided to the President of the General Assembly. Resources provided for the Office of the President of the General Assembly should be utilized in consultation with the President, who should be authorized to utilize the amount within the level of resources approved by the General Assembly.

10. **Mr. Watanabe** (Japan) expressed regret at the high vacancy rate in 1998 and was not satisfied with the explanation provided in paragraph 24 of the report of the Secretary-General (A/53/693), since what was needed was a tangible result, not excuses.

11. With regard to the action to be taken by the General Assembly on the additional requirements of approximately $47 million, his delegation was of the view that those requirements should be taken into account during the consideration of the revised estimates.

12. **Ms. Shearouse** (United States of America) said that the first performance report indicated that the Secretary-General had been able to implement all priority programmes and activities well within the current level of appropriations of $2,532.3 million. Her delegation noted, however, that the revised estimates did not include all potential increases and that the combined effect of the add-on funds not included in

the performance report could bring the revised 1998–1999 budget much closer to the total which had been approved. Her delegation believed that all mandated activities could and should be carried out within the budget level of $2,532.3 million which had been approved in December 1997. It had no flexibility on that issue.

13. Lastly, her delegation was of the view that the cost of the special session of the Committee on Contributions should be met from an equivalent reduction in the length of the Committee's regular session. It therefore saw no need for any add-on funding.

14. **Mr. Park Hae-yun** (Republic of Korea) said that his delegation approved of the methodology used in the recosting of the impact of exchange rate fluctuations, which was consistent with the recommendations of the General Assembly and of the Advisory Committee. It expected the adjustments resulting from actual experience in 1999 to be reflected in the second performance report.

15. It was a matter of concern to his delegation that the vacancy rate in 1998 had exceeded 10 per cent for the Professional category and above. The explanations provided in the report of the Secretary-General were not convincing, in the light of the persistently high vacancy rates maintained over the years. His delegation wished to reiterate its view that the vacancy rate should not be used to achieve budgetary savings. However, it endorsed the revised requirements set out in the first performance report.

16. **Mr. Kuznetsov** (Russian Federation) said that his delegation supported the conclusions and observations in the report of the Advisory Committee (A/53/7/Add.8). It believed that the vacancy rate should not be used to achieve budgetary savings, but that it could be a tool for budgetary calculations. The additional information provided by the Secretariat, referred to in paragraph 8 of the Advisory Committee's report, led his delegation to hope that the Secretariat also followed that approach and that in 1999 the situation with regard to the vacancy rate would gradually normalize.

17. It was significant that the performance report did not include a number of additional requirements, mainly relating to political missions, for a total of approximately $47 million. According to budgetary procedures, the additional requirements should be considered separately by the Committee, and only then should the level of appropriations be corrected on the basis of the decisions taken. His delegation believed that the additional requirements should be considered on a priority basis by the Committee, and that the resource base for 1998–1999 should then be corrected.

18. **Mr. Dausa Céspedes** (Cuba) said that the revised requirements under the expenditure sections of the programme budget were estimated at approximately $2.5 billion in the first performance report (A/53/693, para. 5); that represented a reduction of $48.2 million in the original appropriation. It was understandable that inflation and exchange rate fluctuations would require a downward adjustment, but it was a matter of great concern that $25.9 million of the reductions resulted from high vacancy rates and that those rates were deliberately maintained at a higher than mandated level in order to achieve savings. There was no way yet of knowing the impact which that administrative decision would have on programme execution. His delegation asked the Secretariat to prepare a written assessment of the impact of vacancies on the decreased figures given for salaries and common staff costs in annex II to the first performance report, and to include such detailed assessments in future performance reports.

19. His delegation believed that the $25.9 million savings that had been generated should be transferred to the Development Account, and that any additional requirements arising out of future General Assembly decisions, which had not been factored into the performance report, should be funded in accordance with the procedure established in resolution 41/213, thus raising the total requirements. Moreover, it should be recalled that the estimated requirements arising out of the decisions of the Economic and Social Council had still not been approved.

20. **Mr. Schlesinger** (Austria), speaking on behalf of the European Union, said that the European Union reiterated its view that while the vacancy rate could be a tool for budgetary calculations, it should not be used to achieve budgetary savings. That position had been confirmed in General Assembly resolution 52/220. Paragraph 24 of the report of the Secretary-General (A/53/693) made it clear that, since there had been no arbitrary restrictions on recruitment, the vacancy rate was a consequence, not a cause. There was, however, a continuing need to improve the speed of recruitment to avoid such high vacancy rates in the future. The European Union had worked towards achieving that goal under agenda item 122, on human resources management.

21. **Mr. Halbwachs** (Controller) said that the vacancy rate was not used as a tool to achieve savings and that the Secretariat had not deliberately maintained a high vacancy rate in the biennium 1998–1999. As of 1 January 1998, he had authorized all the posts which the General Assembly had approved for 1998–1999, and there had been no restrictions whatsoever on recruitment. It was unfortunate that there was a 10 per cent vacancy rate; the answer probably lay in the streamlining and simplification of procedures.

Integrated Management Information System project (continued) (A/53/7/Add.7, A/53/573 and A/53/662)

22. **The Chairman** recalled that at the Committee's 37th meeting, the Under-Secretary-General for Management and the Chairman of the Advisory Committee had introduced the tenth progress report of the Secretary-General on the Integrated Management Information System project (A/53/573) and the report of the Advisory Committee (A/53/7/Add.7) respectively. The Committee had decided to postpone consideration of the report, however, pending the issuance in all languages of the note by the Secretary-General transmitting a forward-looking study of the Integrated Management Information System conducted by independent experts (A/53/662). That document had now been issued, and was before the Committee for its consideration.

23. He recalled that, in paragraph 11 of resolution 52/227, the General Assembly had requested the Secretary-General to entrust the Office of Internal Oversight Services with conducting a comprehensive analysis of the reasons for the increase in costs and to submit a report thereon to the General Assembly no later than the end of the main part of its fifty-third session. The estimated date of submission of that report, as indicated in document A/C.5/53/L.1/Rev.1, was January 1999, and that date had not changed. He suggested that the Committee should pursue the matter in informal consultations to decide what should be done.

24. **Mr. Schlesinger** (Austria), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, Estonia, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia and, in addition, Iceland and Norway, said that, in view of the importance of the efficient and effective implementation of the Integrated Management Information System (IMIS), he endorsed the views and recommendations of the Advisory Committee (A/53/7/Add.7) on the relevant reports (A/53/573 and A/53/662). He was particularly pleased that the independent experts' forward-looking study on IMIS (A/53/662) had been completed within a short time-frame, and welcomed the experts' conclusion that IMIS was a well-designed and robust computer application. The system's successful integration with commercially available software had reduced development time and costs, and the level of investment was reasonable for the outputs produced.

25. He was pleased that the main recommendations contained in the report of the Board of Auditors (A/52/755) had been implemented and that a timetable had been established for the implementation of the remaining recommendations. He attached particular importance to the steps taken to ensure that the system was year 2000 compliant. He concurred with the conclusions and recommendations of the independent experts. In particular, he agreed that the system's users in the Organization must be involved in the definition of requirements and the implementation of the system according to their needs. The next progress report should provide details on the measures taken to promote that process.

26. An internally compatible management information system for all United Nations entities would be more cost-effective for Member States. In that regard, the inter-agency governance framework recommended by the experts would be the key to identifying the eventual ownership of IMIS and would be an appropriate forum for the development of field-oriented applications. He commended the IMIS team for having successfully developed the system despite the limited resources available, and endorsed the Secretary-General's request for additional resources to implement the system at offices away from Headquarters.

27. **Mr. Odaga-Jalomayo** (Uganda) said that General Assembly resolution 52/227 made it clear that the independent experts were to submit their report to the General Assembly. He asked when the report had been introduced to the Committee, and why the Secretariat had already started implementing the recommendations of the independent experts.

28. **The Chairman** said that, at the 37th meeting, the Under-Secretary-General for Management had made a statement in which he had introduced the report of the independent experts.

29. **Mr. Niwa** (Assistant Secretary-General for Central Support Services) said that the independent experts worked very closely with the Secretariat in an ongoing process and the Secretariat had to act on a timely basis; it had therefore been implementing recommendations that were to be included in the report of the independent experts to be submitted to the General Assembly. Reference had been made to the importance of ownership and of making the Integrated Management Information System the nucleus for the communication service vehicle of the future. The recommendations required urgent attention, and the Secretariat had therefore responded informally to them.

30. **Mr. Odaga-Jalomayo** (Uganda) said that it was very important for the smooth and effective functioning of the Committee that proper procedures should be followed. The Under-Secretary-General for Management had referred to the study by the independent experts as if it already existed; yet until such time as the study was formally introduced to the General Assembly, it could not be used as a reference document for discussion.

31. **Ms. Buergo Rodriguez** (Cuba) said that her delegation was deeply concerned that recommendations made in a report requested by the General Assembly which had not been officially introduced were being informally applied by the Secretariat, without the approval of the General Assembly. There was an urgent need for the Committee to consider such situations within the context of its working procedures.

32. **The Chairman** asked whether the Committee would like the Under-Secretary-General for Management to make a formal introduction of the report.

33. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation's objective was to correct an anomaly; the Committee was pressed for time. However, the study by the independent experts could only be introduced by its authors, not by the Secretary-General.

34. **The Chairman** said that, in paragraph 12 of General Assembly resolution 52/227, the Secretary-General was requested to have independent experts conduct a study and to submit a report thereon to the General Assembly, together with his comments.

35. **Mr. Sial** (Pakistan) said that in paragraph 13 of General Assembly resolution 52/227, the Secretary-General was requested, when preparing his tenth progress report on the Integrated Management Information System project, to take into account the main observations of the report on the forward-looking study by independent experts; he requested clarification as to how that was being done.

36. **The Chairman** suggested that consideration of the item should be deferred until a later meeting; the Committee would revert to it after receiving further clarification from the Secretariat.

37. *It was so decided.*

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Proposed programme budget outline for the biennium 2000–2001 (continued) (A/53/16 (Part two, chap. II), A/53/220* and A/53/718 and Corr.1)

38. **Mr. Dausa Céspedes** (Cuba) observed that politically motivated budgetary decisions, even when adopted by consensus, were serious departures from the procedures established under resolution 41/213. The arbitrary budget cuts adopted in resolution 50/214, the manner in which the peacekeeping missions in Haiti and Guatemala had been funded and the restrictions imposed on the use of the contingency fund were cases in point.

39. Under the current agenda item, a thoroughgoing analysis should be made of the impact and observance of the budgetary process mandated by resolution 41/213 so that the General Assembly could take corrective steps or, if need be, decide to abandon the established procedures as a way of breaking out of a vicious circle that was affecting both programme execution and the Organization's credibility.

40. The proposed programme budget outline for the biennium 2000–2001 (A/53/220*) did not comply with proper procedures. It proposed that estimated resources should be reduced by $20 million related to compensating economies, a figure that corresponded, oddly enough, to the estimated provision for new activities/events foreseen and/or mandated. The proposed reduction should instead be used to counteract budgetary growth. The new activities were expected to be absorbed; that violated the principle that resources must be appropriated for all mandated activities. In essence, it required the application of the zero-growth principle, which had never been endorsed by the General Assembly nor by all Member States. The resolution to be adopted on the item must clearly spell out the position of Member States on the question of budgetary growth. He asked the Secretariat to explain the basis for the estimated compensating economies and to provide information on the efficiency measures to be achieved. He also asked for an explanation of the relationship between those economies and the expected savings to be transferred to the Development Account. He agreed with the Advisory Committee's recommendation that the $20 million in question should be included in the preliminary estimate of resources.

41. A second problem that had to be addressed was the fact that the proposed growth in all expenditure sections (A/53/220*, annex) did not conform to the priorities mandated in resolution 51/219.

42. The Advisory Committee had taken the purely political position that special political missions should be included in the preliminary estimates (A/53/718, paras. 9 and 10) in reaction to the financial difficulties caused by the main contributor. Those Member States which, like Cuba, still believed in the spirit of resolution 41/213 faced a difficult choice between budgetary absorption policies that required a zero-growth approach, which they opposed, and the inclusion of given amounts in the preliminary estimates in violation of resolution 41/213. If there was a consensus in favour of including the $112 million for special political missions in the preliminary estimates, his delegation would not oppose it, provided that the resolution the Committee adopted specifically requested the Secretary-General to make a comprehensive assessment of the implementation of

resolution 41/213 in a report to be submitted during the current session.

43. Greater transparency and full participation by programme managers in the formulation of the proposed programme budget outline was imperative if the level of resources proposed was to reflect the real needs of the Organization. He would therefore like information on the extent to which programme managers had participated in the exercise.

44. **Mr. Gjesdal** (Norway) reaffirmed Norway's support for the concept and practice of programme budgeting in the United Nations. The setting of prior budget ceilings and the absorption of all additional requirements through compensating economies had no part in that practice. The programme budget outline was a planning tool, not a numerical straitjacket.

45. His delegation found the proposed programme budget outline for the biennium 2000–2001 to be less than satisfactory in several respects: the outline implied negative real growth and even negative nominal growth; it left unresolved the issue of the funding of special political missions; it relied on unspecified savings in order to fund existing mandates for the convening of major conferences and special sessions during the biennium 2000–2001; and the preliminary indicative estimates revealed no effort to make up for the persistent underfunding of core peacekeeping, human rights and humanitarian activities.

46. The goal of reform was not to achieve reductions in the budget but to improve the Organization's responsiveness and augment its programme output. The way in which the budget outline had been presented suggested, however, that tight budgetary policies had become a goal in themselves. Undercutting the funding of special missions, for example, merely created the impression that nominal savings had been achieved.

47. Preventive diplomacy and peacemaking were highly cost-effective activities for the maintenance of international peace and security. His delegation therefore regretted that no action had been taken on the Secretary-General's proposal that projected requirements for special political missions should be included in the budget outline. The funding of such activities should no longer be dependent on the vagaries of exchange rates nor should the Organization continue to rely on resources made available by an unhealthy level of vacancies in the Secretariat. In other words, a provision of $110 million at revised 1998–1999 rates, as proposed by ACABQ, should be included in the outline for special political missions. Additional requirements would have to be dealt with in accordance with the provisions of General Assembly resolution 41/213.

48. His delegation was surprised at the suggestion contained in the budget outline that funding for United Nations conferences and special sessions mandated by the General Assembly should be obtained from compensating economies. Norway attached great importance to such conferences and special sessions and believed that their funding should be secured in the budget outline without recourse to projected economies.

49. His delegation had long held the view that, to the largest extent possible, resource needs at Headquarters for peacekeeping activities should be funded from the regular budget. The level of resources contemplated in the current outline, however, implied that considerable numbers of staff performing core functions would continue to be funded from the support account for peacekeeping operations during the biennium 2000–2001. A larger proportion of staff costs for the important activities conducted in the field of human rights and humanitarian affairs should also be funded from the regular budget.

50. The increased recourse to extrabudgetary funding and to the peacekeeping budgets to carry out priority activities of the Organization which should normally be funded from the regular budget represented an unfortunate trend and made planning and management more difficult. Priority activities should not remain dependent on voluntary contributions.

51. The growth rate of the Organization's budget was not a question of principle for Norway. In certain circumstances, allowance should be made for real budget growth. Normalizing the funding of some priority activities was an obvious goal for any such growth. More broadly speaking, the United Nations budget should not be an exercise in abstraction, but should reflect and respond to current global realities.

52. *Mr. Ahounou (Côte d'Ivoire), Vice-Chairman, took the Chair.*

53. **Ms. Powles** (New Zealand), speaking also on behalf of the delegations of Australia and Canada, said that, in order for the budget outline to be a useful planning figure it must represent a realistic forecast of the Organization's financial requirements. She therefore regretted the absence from the Secretary-General's proposed programme budget outline for the biennium 2000–2001 of any provision for the costs of known special missions; the omission of that provision was not consistent with sound budgetary planning and control. She agreed, however, with ACABQ that only the costs of those missions which were expected to be extended or approved

during the biennium should be included in the budget outline. The usual procedures would then apply to any unforeseen missions that might arise during a biennium. Such refinement of the outline was entirely consistent with previous General Assembly decisions which recognized that the methodology of the outline required further improvement and that the whole exercise should be applied with flexibility. Special missions should therefore be included in the outline as a logical and necessary step in the refinement of the process.

54. She did not share the view of ACABQ that the compensating economies of $20 million should not be used in the outline to offset new mandates. The modest gains in efficiency were well within the range of normal productivity gains which any budget of that size should be able to achieve with effective modern management.

55. Lastly, General Assembly resolution 41/213 described a process and not a philosophy for setting the level of the budget. It was for Member States to determine collectively the actual budget level for each biennium based on the prevailing political and economic conditions. The financial crisis currently affecting many Member States, for example, provided a compelling reason for the United Nations to continue to live within its means and to avoid any departure from current budget levels.

56. **Ms. Cardoze** (Panama), speaking on behalf of the Rio Group, said that she fully supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China. She was concerned to note that, owing to the Organization's financial difficulties, funds and resources earmarked for peacekeeping operations continued to be used to pay for activities that normally should be funded from the regular budget. Thus, because Member States that contributed troops and equipment were not being reimbursed for those contributions, they financed a disproportionate share of the regular budget.

57. The proposed programme budget outline should be consistent with General Assembly resolution 41/213. The proposed budget should be adjusted to reflect the mandates contained in the medium-term plan, not vice versa. The proposed outline for 2000–2001 went beyond the provisions of resolution 41/213, since it included an amount of $13.1 million for the Development Account even though the Fifth Committee was currently examining the Account's financing mechanism and the General Assembly had not yet taken decisions on such controversial matters as the sustainability of the Account. She was struck by the fact that the proposed amount of the budget, which was 2.5 per cent smaller than that of the current budget, included a $900,000 increase in resources for oversight and a $1.1 million reduction in resources for public information.

58. The manner in which special political missions were financed was unsatisfactory. Resources should be allocated for such activities after the outline had been approved; the failure to do so in the past had resulted in the need for complex negotiations on the financing of those activities. She asked for clarification of the indication, in paragraph 7 of the Secretary-General's report (A/53/220*), that economies of about $20 million were anticipated. She wondered where those economies would come from and why they had been deducted directly in the calculation of the final estimate instead of being allocated to the Development Account. She also asked why the Millennium Assembly, which was part of the Secretary-General's reform agenda, had not been mentioned in paragraph 6 concerning the financing of major conferences and special sessions. Although the Millennium Assembly would coincide with the regular session of the General Assembly, she wondered whether funding for preparatory meetings and other activities related to that event had been included in the outline.

59. The Rio Group was concerned about the international economic context in which the outline had been submitted. Particularly striking were the significant changes in the price of the United States dollar in relation to the Swiss franc and the Austrian schilling. Moreover, the interest rates on the most frequently invested currencies had fallen considerably; that meant that less interest would be earned on the Organization's bank deposits. Those circumstances reduced the likelihood that the Organization would achieve economies based on exchange rates and required it to estimate more carefully the resources that would be needed to fund all the activities authorized by the General Assembly.

60. **Mr. Repasch** (United States of America) said he was confident that the Committee would agree on an overall dollar amount for the proposed budget for the coming biennium that would enable the Organization to carry out all its important activities while remaining within the level of the current budget. He was pleased that the estimate contained in the proposed programme budget outline provided modest funding increases for priority activities such as development, human rights, humanitarian affairs and internal oversight. At a time when many States, especially developing countries, faced severe constraints in their own economies, it was important to be sensitive to their difficulties in dealing with the added burden of United Nations assessments.

61. Unfortunately, the outline did not include the estimated costs of a number of renewable political missions related to peace and security, which amounted to $112 million for the

coming biennium. It was inconceivable that a preliminary budget outline should have excluded the estimated costs of activities in one of the Organization's priority areas of action. He therefore agreed with the Secretary-General on the need to find ways to include resources for such missions in the proposed budget.

62. Regarding the contingency fund, he asked the Secretariat to provide information on its experience with the fund over the past five years, and asked the Advisory Committee to explain why it had endorsed the proposed level of the fund. His delegation continued to feel that additional expenses over and above the agreed budget level could and should be financed with savings achieved through efficiency gains, offsets in the current budget and the elimination of marginal or obsolete programmes. He welcomed the indication that efficiency gains were expected to result in savings of $20 million, as well as the recent recommendations of the Committee for Programme and Coordination aimed at strengthening the implementation of planning and budgeting rules, particularly those concerning the evaluation of programme activities to determine their effectiveness, efficiency and continued relevance.

63. His Government took the position that the overall level of the proposed budget outline must not exceed that of the current budget. It could show no flexibility on that score, as major constraints on its own national budget would prevent it from financing increased assessments for the United Nations and other international organizations. However, the ongoing reform and restructuring efforts and the constant scrutiny, by programme managers and oversight bodies, of the Organization's activities would result in the identification of economies that would make it possible to achieve that goal without adversely affecting the full implementation of mandated programmes.

64. **Mr. Kuznetsov** (Russian Federation) said his delegation believed that the budget outline served as a guide to the level of resources in the preparation of the next programme budget and was preliminary and strictly indicative in nature. It took note of the preliminary estimate of resources for the biennium 2000–2001.

65. The outline did not include appropriations associated with the possible extension of the mandates of existing special political missions. Despite the Secretary-General's proposals and the clear recommendations of the Advisory Committee in its report (A/52/7/Add.2), the General Assembly had taken no decision on that question. An analysis of budget performance over past years, particularly in terms of the emergence of unforeseen requirements for special missions, demonstrated the validity of the Secretary-General's proposal in document A/C.5/51/57 that projected requirements for special political missions should be included in the budget outline. His delegation fully supported the position expressed by the Advisory Committee in paragraph 5 of its report (A/53/718).

66. As for the question of excluding amounts for compensating economies from the budget outline, his delegation fully shared the Advisory Committee's views and agreed that it would be best to reflect the results of efforts to achieve a more efficient utilization of resources in the context of performance reports or the proposed programme budget, indicating the nature of the savings and the items of expenditure to which they related. His delegation also felt that the Secretary-General, without indicating the specific sources of proposed economies, should submit to the General Assembly, together with the preliminary estimates, strictly preliminary forecasts of compensating economies.

67. His delegation supported the Secretary-General's proposal that the level of the contingency fund should be maintained at 0.75 per cent of the overall level of resources for the first outline, and shared the Advisory Committee's view regarding the need to abide by the provisions of General Assembly resolutions 41/213 and 42/211.

68. **Ms. Chen Yue** (China) said that the proposed programme budget, as well as the proposed programme budget outline, should be based on the need to provide adequate resources for the Organization's mandated programmes and activities. The overall amount proposed in the outline should not be considered a final figure, but should be adjusted to meet actual needs. She supported the Advisory Committee's views and recommendations concerning the $20 million in compensating economies included in the budget outline (A/53/718, para. 7). That amount should not be reflected in the outline, not only because there was no way to ensure that such savings would actually be achieved, but also because any savings resulting from efficiency measures must be transferred to the Development Account.

69. Her delegation would consider the Secretary-General's proposal that projected requirements for special political missions should be included in the budget outline. That approach would ensure a more prompt response to future needs for such missions and would make the outline more comprehensive and transparent.

70. Lastly, she agreed that the priority areas identified in the medium-term plan for the period 1998–2001 should be reflected in the proposed programme budget for the biennium 2000–2001. Resources for development activities should be increased.

71. **Mr. Kabir** (Bangladesh) said that, since the proposed programme budget outline was only a tentative indication of the resources that would probably be needed in the coming biennium, it should not be seen as a standard; rather, resource allocation should be based on the need to implement fully all mandated programmes and activities. The outline should in no way be used to reduce the level of the proposed budget. Moreover, the funding of United Nations programmes ultimately depended on the fulfilment by Member States of their financial obligations under the Charter.

72. While he welcomed the proposal for increased funding for international and regional cooperation for development, he was uncomfortable with the proposal for increased funding for an area that was not one of the priorities of the medium-term plan. Since the reforms being implemented within the United Nations should be matched by efforts to improve the Organization's image in the outside world, more resources should be allocated to the Department of Public Information. Most of those resources should be used in the field to strengthen United Nations information centres. Where required, the effectiveness of those centres should be evaluated.

73. On the subject of the $20 million in compensating economies projected by the Secretary-General, he concurred with the observations in paragraph 7 of the Advisory Committee's report (A/53/718). There was merit in the proposal that provision should be made in the regular budget for special missions to ensure that other mandated programmes were not adversely affected. Lastly, regarding the overall level of the proposed budget outline, the Advisory Committee's recommendation in paragraph 10 of its report deserved consideration.

74. **Mr. Halbwachs** (Controller) said that a written response to the request, made by a number of delegations, for more details on the $20 million discussed in paragraphs 6 and 7 of the Secretary-General's report (A/53/220*) would be provided shortly. The United States delegation's request for historical information on the use of the contingency fund would be provided in informal consultations.

The meeting rose at noon.